



ANNUAL STATEMENT  
For the Year Ending DECEMBER 31, 2017  
OF THE CONDITION AND AFFAIRS OF THE  
Paramount Care of Michigan

NAIC Group Code	1212 (Current Period)	1212 (Prior Period)	NAIC Company Code	95566	Employer's ID Number	38-3200310
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	MI		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]		Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]		Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]	
Incorporated/Organized	12/16/1993		Commenced Business	06/07/1996		
Statutory Home Office	106 Park Place (Street and Number)		Dundee, MI, US 48131 (City or Town, State, Country and Zip Code)			
Main Administrative Office			106 Park Place (Street and Number)			
	Dundee, MI, US 48131 (City or Town, State, Country and Zip Code)		(734)529-7800 (Area Code) (Telephone Number)			
Mail Address	106 Park Place (Street and Number or P.O. Box)		Dundee, MI, US 48131 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records			1901 Indian Wood Circle (Street and Number)			
	Maumee, OH, US 43537 (City or Town, State, Country and Zip Code)		(419)887-2500 (Area Code) (Telephone Number)			
Internet Website Address	www.paramounthealthcare.com					
Statutory Statement Contact	Jonathan Burns, Mr. (Name)		(419)887-2909 (Area Code)(Telephone Number)(Extension)			
	jonathan.burns@promedica.org (E-Mail Address)		(419)887-2020 (Fax Number)			

OFFICERS

Name	Title
John Charles Randolph Mr.	Chairman
John Charles Randolph Mr.	President
Michael Paul Browning Mr.	Treasurer
Jeffrey Craig Kuhn Mr.	Secretary

OTHERS

Jeffrey William Martin Mr., Vice President, Operations  
Stacey Lee Bock Mrs., Vice President, Finance  
John David Meier M.D., Vice President, Health Services

DIRECTORS OR TRUSTEES

Dee Ann Bialecki-Haase M.D.  
Richard Leo Germond Mr.  
John Paul Imm M.D. #  
John Charles Randolph Mr.  
William Roger Myers Mr.

State of Michigan  
County of Monroe ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) John Charles Randolph (Printed Name) 1. President (Title)	(Signature) Stacey Lee Bock (Printed Name) 2. Vice President, Finance (Title)	(Signature) Jeffrey Craig Kuhn (Printed Name) 3. Secretary (Title)
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2018  
a. Is this an original filing?  
b. If no, 1. State the amendment number  
2. Date filed  
3. Number of pages attached  
Yes[X] No[ ]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D) .....	4,968,916		4,968,916	4,386,250
2.	Stocks (Schedule D):				
2.1	Preferred stocks .....				
2.2	Common Stocks .....				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2	Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3	Properties held for sale (less \$.....0 encumbrances) .....				
5.	Cash (\$.....2,991,542, Schedule E Part 1), cash equivalents (\$.....247,359, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) .....	3,238,901		3,238,901	8,171,539
6.	Contract loans (including \$.....0 premium notes) .....				
7.	Derivatives (Schedule DB) .....				
8.	Other invested assets (Schedule BA) .....				
9.	Receivables for securities .....				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11.	Aggregate write-ins for invested assets .....				
12.	Subtotals, cash and invested assets (Lines 1 to 11) .....	8,207,817		8,207,817	12,557,790
13.	Title plants less \$.....0 charged off (for Title insurers only) .....				
14.	Investment income due and accrued .....	25,720		25,720	23,195
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection .....	23,804		23,804	20,185
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
15.3	Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) .....	456,008		456,008	400,000
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers .....				
16.2	Funds held by or deposited with reinsured companies .....				
16.3	Other amounts receivable under reinsurance contracts .....				
17.	Amounts receivable relating to uninsured plans .....				74,363
18.1	Current federal and foreign income tax recoverable and interest thereon .....	695,723		695,723	
18.2	Net deferred tax asset .....				79,976
19.	Guaranty funds receivable or on deposit .....				
20.	Electronic data processing equipment and software .....				
21.	Furniture and equipment, including health care delivery assets (\$.....0) .....				
22.	Net adjustment in assets and liabilities due to foreign exchange rates .....				
23.	Receivables from parent, subsidiaries and affiliates .....	3,202,562		3,202,562	1,631,549
24.	Health care (\$.....196,267) and other amounts receivable .....	196,267		196,267	153,930
25.	Aggregate write-ins for other than invested assets .....	2,440,000		2,440,000	
26.	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	15,247,901		15,247,901	14,940,988
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28.	TOTAL (Lines 26 and 27) .....	15,247,901		15,247,901	14,940,988
DETAILS OF WRITE-INS					
1101.	.....				
1102.	.....				
1103.	.....				
1198.	Summary of remaining write-ins for Line 11 from overflow page .....				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501.	Advanced claim payments .....	2,440,000		2,440,000	
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page .....				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	2,440,000		2,440,000	

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded) .....	1,933,283		1,933,283	1,728,969
2.	Accrued medical incentive pool and bonus amounts .....				
3.	Unpaid claims adjustment expenses .....	23,000		23,000	28,000
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....	330,008		330,008	8,207
5.	Aggregate life policy reserves .....				
6.	Property/casualty unearned premium reserves .....				
7.	Aggregate health claim reserves .....				
8.	Premiums received in advance .....	63,025		63,025	66,995
9.	General expenses due or accrued .....	251,368		251,368	188,765
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....				336,629
10.2	Net deferred tax liability .....	471,086		471,086	
11.	Ceded reinsurance premiums payable .....				
12.	Amounts withheld or retained for the account of others .....				
13.	Remittances and items not allocated .....				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15.	Amounts due to parent, subsidiaries and affiliates .....	546,930		546,930	456,734
16.	Derivatives .....				
17.	Payable for securities .....	183,638		183,638	427,349
18.	Payable for securities lending .....				
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....				
20.	Reinsurance in unauthorized and certified (\$.....0) companies .....				
21.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
22.	Liability for amounts held under uninsured plans .....	264,000		264,000	
23.	Aggregate write-ins for other liabilities (including \$.....0 current) .....				
24.	TOTAL Liabilities (Lines 1 to 23) .....	4,066,338		4,066,338	3,241,648
25.	Aggregate write-ins for special surplus funds .....	X X X	X X X		
26.	Common capital stock .....	X X X	X X X	10,000	10,000
27.	Preferred capital stock .....	X X X	X X X		
28.	Gross paid in and contributed surplus .....	X X X	X X X	9,990,000	9,990,000
29.	Surplus notes .....	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
31.	Unassigned funds (surplus) .....	X X X	X X X	1,181,563	1,699,340
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0) .....	X X X	X X X		
32.2	.....0 shares preferred (value included in Line 27 \$.....0) .....	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	X X X	X X X	11,181,563	11,699,340
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	X X X	X X X	15,247,901	14,940,988
DETAILS OF WRITE-INS					
2301.	.....				
2302.	.....				
2303.	.....				
2398.	Summary of remaining write-ins for Line 23 from overflow page .....				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				
2501.	.....	X X X	X X X		
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	X X X	X X X		
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months .....	X X X .....	23,750	22,783
2.	Net premium income (including \$.....0 non-health premium income) .....	X X X .....	21,746,806	22,261,781
3.	Change in unearned premium reserves and reserve for rate credits .....	X X X .....		
4.	Fee-for-service (net of \$.....0 medical expenses) .....	X X X .....		
5.	Risk revenue .....	X X X .....		
6.	Aggregate write-ins for other health care related revenues .....	X X X .....		
7.	Aggregate write-ins for other non-health revenues .....	X X X .....		
8.	TOTAL Revenues (Lines 2 to 7) .....	X X X .....	21,746,806	22,261,781
Hospital and Medical:				
9.	Hospital/medical benefits .....		16,435,127	13,144,013
10.	Other professional services .....		114,227	107,505
11.	Outside referrals .....			
12.	Emergency room and out-of-area .....		504,429	603,627
13.	Prescription drugs .....		2,037,261	2,490,048
14.	Aggregate write-ins for other hospital and medical .....			
15.	Incentive pool, withhold adjustments and bonus amounts .....			
16.	Subtotal (Lines 9 to 15) .....		19,091,044	16,345,193
Less:				
17.	Net reinsurance recoveries .....			
18.	TOTAL Hospital and Medical (Lines 16 minus 17) .....		19,091,044	16,345,193
19.	Non-health claims (net) .....			
20.	Claims adjustment expenses, including \$.....151,914 cost containment expenses .....		187,744	165,423
21.	General administrative expenses .....		748,657	1,018,482
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....			
23.	TOTAL Underwriting Deductions (Lines 18 through 22) .....		20,027,445	17,529,098
24.	Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X .....	1,719,361	4,732,683
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		71,370	14,096
26.	Net realized capital gains (losses) less capital gains tax of \$.....(5,891) .....		(10,940)	(3,182)
27.	Net investment gains (losses) (Lines 25 plus 26) .....		60,430	10,914
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....			
29.	Aggregate write-ins for other income or expenses .....			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X .....	1,779,791	4,743,597
31.	Federal and foreign income taxes incurred .....	X X X .....	(227,319)	1,662,739
32.	Net income (loss) (Lines 30 minus 31) .....	X X X .....	2,007,110	3,080,858
DETAILS OF WRITE-INS				
0601.	.....	X X X .....		
0602.	.....	X X X .....		
0603.	.....	X X X .....		
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....		
0701.	.....	X X X .....		
0702.	.....	X X X .....		
0703.	.....	X X X .....		
0798.	Summary of remaining write-ins for Line 7 from overflow page .....	X X X .....		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X .....		
1401.	.....			
1402.	.....			
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page .....			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....			
2901.	.....			
2902.	.....			
2903.	.....			
2998.	Summary of remaining write-ins for Line 29 from overflow page .....			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year .....	11,699,340	8,543,995
34.	Net income or (loss) from Line 32 .....	2,007,110	3,080,858
35.	Change in valuation basis of aggregate policy and claim reserves .....		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....	(6,384)	1,002
37.	Change in net unrealized foreign exchange capital gain or (loss) .....		
38.	Change in net deferred income tax .....	(551,063)	(27,341)
39.	Change in nonadmitted assets .....	32,560	100,826
40.	Change in unauthorized and certified reinsurance .....		
41.	Change in treasury stock .....		
42.	Change in surplus notes .....		
43.	Cumulative effect of changes in accounting principles .....		
44.	Capital Changes:		
44.1	Paid in .....		
44.2	Transferred from surplus (Stock Dividend) .....		
44.3	Transferred to surplus .....		
45.	Surplus adjustments:		
45.1	Paid in .....		
45.2	Transferred to capital (Stock Dividend) .....		
45.3	Transferred from capital .....		
46.	Dividends to stockholders .....	(2,000,000)	
47.	Aggregate write-ins for gains or (losses) in surplus .....		
48.	Net change in capital and surplus (Lines 34 to 47) .....	(517,777)	3,155,345
49.	Capital and surplus end of reporting year (Line 33 plus 48) .....	11,181,563	11,699,340
DETAILS OF WRITE-INS			
4701.	.....		
4702.	.....		
4703.	.....		
4798.	Summary of remaining write-ins for Line 47 from overflow page .....		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance .....	22,015,526	22,397,169
2.	Net investment income .....	102,891	(4,866)
3.	Miscellaneous income .....		
4.	TOTAL (Lines 1 through 3) .....	22,118,417	22,392,303
5.	Benefit and loss related payments .....	18,929,067	16,343,058
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	540,435	1,106,544
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	799,143	1,517,315
10.	TOTAL (Lines 5 through 9) .....	20,268,645	18,966,917
11.	Net cash from operations (Line 4 minus Line 10) .....	1,849,772	3,425,386
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	3,254,823	2,038,245
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		428,351
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....	3,254,823	2,466,596
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	3,888,353	6,433,163
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....	250,107	459
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6) .....	4,138,460	6,433,622
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(883,638)	(3,967,027)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....		
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....	2,000,000	
16.6	Other cash provided (applied) .....	(3,898,772)	(162,057)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(5,898,772)	(162,057)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(4,932,638)	(703,698)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	8,171,539	8,875,237
19.2	End of year (Line 18 plus Line 19.1) .....	3,238,901	8,171,539

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	.....		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income .....	21,746,806						21,746,806			
2.	Change in unearned premium reserves and reserve for rate credit .....										
3.	Fee-for-service (net of \$.....0 medical expenses) .....										X X X .....
4.	Risk revenue .....										X X X .....
5.	Aggregate write-ins for other health care related revenues .....										X X X .....
6.	Aggregate write-ins for other non-health care related revenues .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
7.	TOTAL Revenues (Lines 1 to 6) .....	21,746,806						21,746,806			
8.	Hospital/medical benefits .....	16,435,127						16,435,127			X X X .....
9.	Other professional services .....	114,227						114,227			X X X .....
10.	Outside referrals .....										X X X .....
11.	Emergency room and out-of-area .....	504,429						504,429			X X X .....
12.	Prescription drugs .....	2,037,261						2,037,261			X X X .....
13.	Aggregate write-ins for other hospital and medical .....										X X X .....
14.	Incentive pool, withhold adjustments and bonus amounts .....										X X X .....
15.	Subtotal (Lines 8 to 14) .....	19,091,044						19,091,044			X X X .....
16.	Net reinsurance recoveries .....										X X X .....
17.	TOTAL Hospital and Medical (Lines 15 minus 16) .....	19,091,044						19,091,044			X X X .....
18.	Non-health claims (net) .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
19.	Claims adjustment expenses including \$.....151,914 cost containment expenses .....	187,744						187,744			
20.	General administrative expenses .....	748,657						748,657			
21.	Increase in reserves for accident and health contracts .....										X X X .....
22.	Increase in reserves for life contracts .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
23.	TOTAL Underwriting Deductions (Lines 17 to 22) .....	20,027,445						20,027,445			
24.	Net underwriting gain or (loss) (Line 7 minus Line 23) .....	1,719,361						1,719,361			
DETAILS OF WRITE-INS											
0501.	.....										X X X .....
0502.	.....										X X X .....
0503.	.....										X X X .....
0598.	Summary of remaining write-ins for Line 5 from overflow page .....										X X X .....
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....										X X X .....
0601.	.....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0602.	.....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0603.	.....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0698.	Summary of remaining write-ins for Line 6 from overflow page .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
1301.	.....										X X X .....
1302.	.....										X X X .....
1303.	.....										X X X .....
1398.	Summary of remaining write-ins for Line 13 from overflow page .....										X X X .....
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....										X X X .....

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS

		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
Line of Business					
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	21,769,606	.....	22,800	21,746,806
7.	Title XIX - Medicaid .....	.....	.....	.....	.....
8.	Other health .....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 through 8) .....	21,769,606	.....	22,800	21,746,806
10.	Life .....	.....	.....	.....	.....
11.	Property/casualty .....	.....	.....	.....	.....
12.	TOTALS (Lines 9 to 11) .....	21,769,606	.....	22,800	21,746,806



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct .....	18,929,067	19,196					18,909,871			
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	18,929,067	19,196					18,909,871			
2. Paid medical incentive pools and bonuses .....										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	1,933,283						1,933,283			
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....	1,933,283						1,933,283			
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....										
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....										
5. Accrued medical incentive pools and bonuses, current year .....										
6. Net healthcare receivables (a) .....	42,337						42,337			
7. Amounts recoverable from reinsurers December 31, current year ..										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	1,728,969	19,196					1,709,773			
8.2 Reinsurance assumed .....										
8.3 Reinsurance ceded .....										
8.4 Net .....	1,728,969	19,196					1,709,773			
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....										
9.2 Reinsurance assumed .....										
9.3 Reinsurance ceded .....										
9.4 Net .....										
10. Accrued medical incentive pools and bonuses, prior year .....										
11. Amounts recoverable from reinsurers December 31, prior year .....										
12. Incurred benefits:										
12.1 Direct .....	19,091,044						19,091,044			
12.2 Reinsurance assumed .....										
12.3 Reinsurance ceded .....										
12.4 Net .....	19,091,044						19,091,044			
13. Incurred medical incentive pools and bonuses .....										

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	499,515						499,515			
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	499,515						499,515			
2. Incurred but Unreported:										
2.1 Direct .....	1,433,768						1,433,768			
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	1,433,768						1,433,768			
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS										
4.1 Direct .....	1,933,283						1,933,283			
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	1,933,283						1,933,283			

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical) .....	19,196				19,196	19,196
2.	Medicare Supplement .....						
3.	Dental only .....						
4.	Vision only .....						
5.	Federal Employees Health Benefits Plan .....						
6.	Title XVIII - Medicare .....	1,766,985	17,142,886	9,398	1,923,885	1,776,383	1,709,773
7.	Title XIX - Medicaid .....						
8.	Other health .....						
9.	Health subtotal (Lines 1 to 8) .....	1,786,181	17,142,886	9,398	1,923,885	1,795,579	1,728,969
10.	Healthcare receivables (a) .....		196,267				153,930
11.	Other non-health .....						
12.	Medical incentive pool and bonus amounts .....						
13.	TOTALS (Lines 9 - 10 + 11 + 12) .....	1,786,181	16,946,619	9,398	1,923,885	1,795,579	1,575,039

(a) Excludes \$.0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....	2,355	2,689	2,676	2,676	2,676
2.	2013 .....	21,255	22,888	22,892	22,892	22,892
3.	2014 .....	X X X	14,445	16,051	16,013	16,012
4.	2015 .....	X X X	X X X	15,523	16,568	16,654
5.	2016 .....	X X X	X X X	X X X	15,336	17,036
6.	2017 .....	X X X	X X X	X X X	X X X	17,143

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....	2,755	2,689	2,676	2,676	2,676
2.	2013 .....	22,854	22,888	22,892	22,892	22,892
3.	2014 .....	X X X	16,135	16,054	16,013	16,012
4.	2015 .....	X X X	X X X	17,272	16,587	16,654
5.	2016 .....	X X X	X X X	X X X	17,046	17,036
6.	2017 .....	X X X	X X X	X X X	X X X	19,076

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2013 .....	23,094	22,892	217	0.949	23,109	100.066			23,109	100.066
2.	2014 .....	16,850	16,012	159	0.991	16,171	95.969			16,171	95.969
3.	2015 .....	18,736	16,654	168	1.010	16,822	89.785			16,822	89.785
4.	2016 .....	22,262	17,036	161	0.947	17,197	77.250			17,197	77.250
5.	2017 .....	21,747	17,143	166	0.971	17,309	79.595	1,933	23	19,265	88.589

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Hospital and Medical  
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....	1,012	1,362	1,359	1,359	1,359
2.	2013 .....	6,763	7,172	7,178	7,178	7,178
3.	2014 .....	X X X	792	813	812	812
4.	2015 .....	X X X	X X X	415	407	426
5.	2016 .....	X X X	X X X	X X X		
6.	2017 .....	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....	1,412	1,362	1,359	1,359	1,359
2.	2013 .....	6,849	7,172	7,178	7,178	7,178
3.	2014 .....	X X X	898	813	812	812
4.	2015 .....	X X X	X X X	451	426	426
5.	2016 .....	X X X	X X X	X X X		
6.	2017 .....	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2013 .....	6,915	7,178	135	1.886	7,313	105.761			7,313	105.761
2.	2014 .....	1,244	812	35	4.297	847	68.078			847	68.078
3.	2015 .....	468	426	25	5.925	451	96.419			451	96.419
4.	2016 .....	(95)		7		7	(6.842)			7	(6.842)
5.	2017 .....										

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP . . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....	1,343	1,327	1,317	1,317	1,317
2.	2013 .....	14,492	15,716	15,714	15,714	15,714
3.	2014 .....	X X X	13,653	15,238	15,201	15,200
4.	2015 .....	X X X	X X X	15,108	16,161	16,228
5.	2016 .....	X X X	X X X	X X X	15,336	17,036
6.	2017 .....	X X X	X X X	X X X	X X X	17,143

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....	1,343	1,327	1,317	1,317	1,317
2.	2013 .....	16,005	15,716	15,714	15,714	15,714
3.	2014 .....	X X X	15,237	15,241	15,201	15,200
4.	2015 .....	X X X	X X X	16,821	16,161	16,228
5.	2016 .....	X X X	X X X	X X X	17,046	17,036
6.	2017 .....	X X X	X X X	X X X	X X X	19,076

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2013 .....	16,179	15,714	82	0.521	15,796	97.632			15,796	97.632
2.	2014 .....	15,606	15,200	124	0.815	15,324	98.192			15,324	98.192
3.	2015 .....	18,268	16,228	143	0.881	16,371	89.615			16,371	89.615
4.	2016 .....	22,357	17,036	155	0.909	17,191	76.893			17,191	76.893
5.	2017 .....	21,747	17,143	166	0.971	17,309	79.595	1,933	23	19,265	88.589

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other . . . . . NONE



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....									
2. Additional policy reserves (a) .....									
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income) .....	330,008						330,008		
5. Aggregate write-ins for other policy reserves .....									
6. TOTALS (Gross) .....	330,008						330,008		
7. Reinsurance ceded .....									
8. TOTALS (Net) (Page 3, Line 4) .....	330,008						330,008		
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. TOTALS (Gross) .....									
13. Reinsurance ceded .....									
14. TOTALS (Net) (Page 3, Line 7) .....									
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page ....									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) ....									
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page ..									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building) .....	2,434	1,743	17,616		21,793
2.	Salaries, wages and other benefits .....	139,700	28,627	379,842		548,169
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed) .....			351		351
4.	Legal fees and expenses .....			1,480		1,480
5.	Certifications and accreditation fees .....					
6.	Auditing, actuarial and other consulting services .....	5,387		370,654		376,041
7.	Traveling expenses .....	1,160	2	1,282		2,444
8.	Marketing and advertising .....	2		5,065		5,067
9.	Postage, express and telephone .....			2,740		2,740
10.	Printing and office supplies .....	1,406	21	3,118		4,545
11.	Occupancy, depreciation and amortization .....			10,468		10,468
12.	Equipment .....			5,214		5,214
13.	Cost or depreciation of EDP equipment and software .....			14,724		14,724
14.	Outsourced services including EDP, claims, and other services .....	1,772	5,437	31,425		38,634
15.	Boards, bureaus and association fees .....	53		20,599		20,652
16.	Insurance, except on real estate .....					
17.	Collection and bank service charges .....			1,691		1,691
18.	Group service and administration fees .....					
19.	Reimbursements by uninsured plans .....					
20.	Reimbursements from fiscal intermediaries .....					
21.	Real estate expenses .....					
22.	Real estate taxes .....			1,186		1,186
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes .....			3,165		3,165
23.2	State premium taxes .....					
23.3	Regulatory authority licenses and fees .....					
23.4	Payroll taxes .....			6,563		6,563
23.5	Other (excluding federal income and real estate taxes) .....			(128,526)		(128,526)
24.	Investment expenses not included elsewhere .....				10,148	10,148
25.	Aggregate write-ins for expenses .....					
26.	TOTAL Expenses Incurred (Lines 1 to 25) .....	151,914	35,830	748,657	10,148	(a) 946,549
27.	Less expenses unpaid December 31, current year .....	19,090	3,910	251,368		274,368
28.	Add expenses unpaid December 31, prior year .....	19,600	8,400	188,765		216,765
29.	Amounts receivable relating to uninsured plans, prior year .....					
30.	Amounts receivable relating to uninsured plans, current year .....					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	152,424	40,320	686,054	10,148	888,946
DETAILS OF WRITE-INS						
2501.	.....					
2502.	.....					
2503.	.....					
2598.	Summary of remaining write-ins for Line 25 from overflow page .....					
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....					

(a) Includes management fees of \$.....769,462 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a)..... 18,075	..... 21,489
1.1	Bonds exempt from U.S. tax .....	(a).....	.....
1.2	Other bonds (unaffiliated) .....	(a)..... 57,940	..... 58,222
1.3	Bonds of affiliates .....	(a).....	.....
2.1	Preferred stocks (unaffiliated) .....	(b).....	.....
2.11	Preferred stocks of affiliates .....	(b).....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c).....	.....
4.	Real estate .....	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	(e)..... 2,979	..... 1,807
7.	Derivative instruments .....	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	TOTAL Gross investment income .....	..... 78,994	..... 81,518
11.	Investment expenses .....		(g)..... 10,148
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g).....
13.	Interest expense .....		(h).....
14.	Depreciation on real estate and other invested assets .....		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....
16.	TOTAL Deductions (Lines 11 through 15) .....		..... 10,148
17.	Net Investment income (Line 10 minus Line 16) .....		..... 71,370
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	.....	.....
(a) Includes \$.....3,048 accrual of discount less \$.....38,785 amortization of premium and less \$.....12,468 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....10,148 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	..... (18,721)	.....	..... (18,721)	..... (6,384)	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	..... 1,902	.....	..... 1,902	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	..... (12)	.....	..... (12)	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	TOTAL Capital gains (losses) .....	..... (16,831)	.....	..... (16,831)	..... (6,384)	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page ..	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) ..	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D) .....			
2.	Stocks (Schedule D):			
2.1	Preferred stocks .....			
2.2	Common stocks .....			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens .....			
3.2	Other than first liens .....			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company .....			
4.2	Properties held for the production of income .....			
4.3	Properties held for sale .....			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6.	Contract loans .....			
7.	Derivatives (Schedule DB) .....			
8.	Other invested assets (Schedule BA) .....			
9.	Receivables for securities .....			
10.	Securities lending reinvested collateral assets (Schedule DL) .....			
11.	Aggregate write-ins for invested assets .....			
12.	Subtotals, cash and invested assets (Lines 1 to 11) .....			
13.	Title plants (for Title insurers only) .....			
14.	Invested income due and accrued .....			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection .....		10,516	10,516
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3	Accrued retrospective premiums and contracts subject to redetermination .....			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers .....			
16.2	Funds held by or deposited with reinsured companies .....			
16.3	Other amounts receivable under reinsurance contracts .....			
17.	Amounts receivable relating to uninsured plans .....			
18.1	Current federal and foreign income tax recoverable and interest thereon .....			
18.2	Net deferred tax asset .....			
19.	Guaranty funds receivable or on deposit .....			
20.	Electronic data processing equipment and software .....			
21.	Furniture and equipment, including health care delivery assets .....			
22.	Net adjustment in assets and liabilities due to foreign exchange rates .....			
23.	Receivables from parent, subsidiaries and affiliates .....			
24.	Health care and other amounts receivable .....			
25.	Aggregate write-ins for other than invested assets .....		22,044	22,044
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....		32,560	32,560
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28.	TOTAL (Lines 26 and 27) .....		32,560	32,560
DETAILS OF WRITE-INS				
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page .....			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501.	Prepaid .....		19,080	19,080
2502.	Other AR .....		2,964	2,964
2503.	.....			
2598.	Summary of remaining write-ins for Line 25 from overflow page .....			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....		22,044	22,044

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	1,912	1,978	1,967	1,980	1,986	23,750
2.	Provider Service Organizations .....						
3.	Preferred Provider Organizations .....						
4.	Point of Service .....						
5.	Indemnity Only .....						
6.	Aggregate write-ins for other lines of business .....						
7.	TOTAL .....	1,912	1,978	1,967	1,980	1,986	23,750
DETAILS OF WRITE-INS							
0601.	.....						
0602.	.....						
0603.	.....						
0698.	Summary of remaining write-ins for Line 6 from overflow page .....						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....						

Notes to Financial Statements

1. Summary of Significant Accounting Principles

A. Accounting Practices

The financial statements of Paramount Care of Michigan (the “Company”) are presented on a basis of accounting practices prescribed by the Michigan Department of Insurance and Financial Services.

The Michigan Department of Insurance and Financial Services recognizes only statutory accounting practices prescribed by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Michigan Insurance Law. The National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed practices by the State of Michigan.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan is shown below:

	State of Domicile Michigan	2017	2016
<b>NET INCOME</b>			
Paramount Care of Michigan state basis		2,007,110	3,080,858
State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
State Permitted Practices that increase/(decrease) NAIC SAP		-	-
NAIC SAP		2,007,110	3,080,858
<b>SURPLUS</b>			
Paramount Care of Michigan state basis		11,181,563	11,699,340
State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
State Permitted Practices that increase/(decrease) NAIC SAP		-	-
NAIC SAP		11,181,563	11,699,340

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policies

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts. Expenses incurred in connections with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

- 1. Short-term investments are stated at amortized cost.
- 2. Bonds are stated at amortized cost.
- 3. Common stock investments are stated at fair market value.
- 4. The Company has no preferred stock investments.
- 5. The Company does not invest in mortgage loans.
- 6. The Company has no investments in loan-backed securities.

## Notes to Financial Statements

- 7. The Company has no investments in subsidiaries.
- 8. The Company has no investments in joint ventures.
- 9. The Company does not invest in derivatives.
- 10. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.
- 11. Unpaid losses and loss adjustment expenses include an amount from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- 12. The Company has not modified its capitalization policy from prior period.
- 13. The Company estimates its pharmaceutical rebate receivables based on historical cash payments and prescriptions filled.

2. Accounting Changes and Corrections of Errors

-NOT APPLICABLE

3. Business Combinations and Goodwill

-NOT APPLICABLE

4. Discontinued Operations

-NOT APPLICABLE

5. Investments

- A. The company does not have any Mortgage Loan investments.
- B. The company is not a creditor for any Restructured Debt.
- C. The company does not have any reverse mortgages.
- D. The company does not have any loan-backed securities.
- E. The company does not have any repurchase agreements or security lending transactions.
- F. The company does not have any repurchase agreements.
- G. The company does not have any reverse repurchase agreements.
- H. The company does not have repurchase agreements accounted for as a sale.
- I. The company does not have reverse repurchase agreements accounted for as a sale.
- J. The company does not have any real estate investments
- K. The company does not have any low-income housing tax credits.
- L. Restricted Assets

Notes to Financial Statements

Retricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/ (Decrease)	Total Current year nonadmitted Restricted	Total Current year admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which the liability is not shown							
b. collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states							
k. On deposit with other regulatory bodies	1,000,000	1,000,000	-	-	1,000,000	6.6%	6.6%
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	1,000,000	1,000,000	-		1,000,000	6.6%	6.6%

- M.

The company does not have any working capital financing investments.
- N.

The company does not have any netting of assets and liabilities relating to derivatives, repurchase and reverse repurchase and securities borrowing and lending.
- O.

The company does not have any structured notes.
- P.

The company does not have any 5\* securities.
- Q.

The company does not have any short sales.
- R.

Prepayment Penalty and Acceleration Fees
1.

Number of Cusips

12
2.

Aggregate Amount of Investment Income

\$9,663

6. Joint Ventures, Partnerships and Limited Liability Companies

-NOT APPLICABLE

7. Investment Income



Notes to Financial Statements

The Company does not have any nonadmitted accrued investment income.

8. Derivative Instruments

-NOT APPLICABLE

9. Income Taxes

The application of SSAP No. 101 requires a company to evaluate the recoverability of deferred tax assets and to establish a valuation allowance if necessary to reduce the deferred tax asset to an amount which is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance the Company considers many factors, including: (1) the nature of the deferred tax assets and liabilities; (2) whether they are ordinary or capital; (3) the timing of reversal; (4) taxable income in prior carry back years as well as projected taxable earnings exclusive of reversing temporary differences and carry forwards; (5) the length of time that carryovers can be used; (6) unique tax rules that would impact the utilization of the deferred tax assets; and (7) any tax planning strategies that the Company would employ to avoid a tax benefit expiring unused. Although the realization is not assured, the Company believes it is more likely than not that the deferred tax assets, net of valuation allowances, will be realized. As of December 31, 2017 and 2016, no statutory valuation allowance was provided against the company’s deferred tax assets.

A. The components of DTAs and DTLs as of December 31 are as follows:

	December 31, 2017			December 31, 2016			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	\$ 43,309		\$ 43,309	\$ 80,327		\$ 80,327	\$ (37,018)	\$ -	\$ (37,018)
(b) Statutory valuation allowance							-	-	-
(c) Adjusted gross deferred tax assets	43,309		43,309	80,327		80,327	(37,018)		(37,018)
(d) Deferred tax assets nonadmitted							-	-	-
(e) Subtotal net admitted deferred tax assets	43,309		43,309	80,327		80,327	(37,018)	-	(37,018)
(f) Deferred tax liabilities	514,395		514,395		351	351	514,395	(351)	514,044
(g) Net admitted deferred tax asset	\$ (471,086)	\$ -	\$ (471,086)	\$ 80,327	\$ (351)	\$ 79,976	\$ (551,413)	\$ 351	\$ (551,062)

	12/31/2017			12/31/2016			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components SSSAP No. 101									
(a) Federal Income Taxes Paid in Prior Years									
Recoverable Through Loss Carrybacks	\$ 31,409		\$ 31,409	\$60,494		\$ 60,494	\$ (29,085)		\$ (29,085)
(b) Adjusted Gross Deferred Tax Assets									
Expected To Be Realized (Excluding The									
Amount of Deferred Tax Assets from 2(a)	11,900	-	11,900	19,833	-	19,833	(7,933)	-	(7,933)
above) After Application of the Threshold									
Limitation. (The Lesser of 2(b)1 and 2(b)2									
Below)									
1. Adjusted Gross Deferred Tax Assets									
Expected to be Realized Following									
the Balance Sheet Date.	11,900	-	11,900	19,833	-	19,833	11,900	-	11,900
2. Adjusted Gross Deferred Tax Assets									
Allowed per Limitation Threshold.			1,677,234			1,742,905			(65,671)
(c) Adjusted Gross Deferred Tax Assets									
(Excluding The Amount of Deferred Tax	-	-	-	-	-	-	-	-	-
Assets from 2(a) and 2(b) above) Offset by									
Gross Deferred Tax Liabilities.	(514,395)		(514,395)		(351)	(351)	(514,395)	351	(514,044)
(d) Deferred Tax Assets Admitted as the Result of									
application of SSAP No. 101.									
Total	\$ (471,086)	\$ -	\$ (471,086)	\$80,327	\$ (351)	\$ 79,976	\$ (551,413)	\$ 351	\$ (551,062)

Notes to Financial Statements

	2017	2016
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	886%	1076%
(b) Amount of Adjusted Capital and Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 above	11,181,563	11,619,364

	2017				2016				Change		
	Ordinary	Capital	Total		Ordinary	Capital	Total		Ordinary	Capital	Total
Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, by Tax Character as a Percentage											
(1) Adjusted gross DTAs from 9A1c	43,309		43,309		80,327		80,327		(37,018)		(37,018)
(2) % total adjusted gross DTAs	-	-	-		-	-	-		-	-	-
(3) Net admitted adjusted gross DTAs from 9A1e	43,309		43,309		80,327		80,327		(37,018)		(37,018)
(4) % of total net admitted adjusted gross DTAs	-	-	-		-	-	-		-	-	-

**B.** -There are no temporary differences for deferred tax liabilities that are not recognized at December 31, 2017 and 2016.

**C.** -Current income taxes incurred consisted of the following major components:

Notes to Financial Statements

			12/31/2017	12/31/2017	Change
1. Current Income Tax					
	(a) Federal		\$ (227,317)	\$ 1,651,923	\$ (1,879,240)
	(b) Federal income tax on capital gains		(5,891)	(1,713)	(4,178)
	(c) Other		(2)	10,816	(10,818)
	(d) Federal income taxes incurred		\$ (233,210)	\$ 1,661,026	\$ (1,894,236)
2. Deferred tax assets:					
	(a) Ordinary				
	(1) Discounting on claims payable		\$ 4,962	\$ 4,741	\$ 221
	(2) Unearned premiums		2,647	4,690	(2,043)
	(3) Premium deficiency reserve		-	-	-
	(4) Audit assessment reserve		35,700	59,500	(23,800)
	(5) Non admitted assets		-	11,396	(11,396)
	(6) Depreciation				-
	(7) Allowance for doubtful accounts				-
	(4) Other		-	-	-
		Subtotal	43,309	80,327	(37,018)
	(b) Statutory valuation allowance adjustment		-	-	-
	(c) Nonadmitted		-	-	-
	(d) Admitted ordinary deferred tax assets		43,309	80,327	(37,018)
	(e) Capital				
	(1) Impairment of securities		-	-	-
	(2) Other				-
		Subtotal	-	-	-
	(f) Statutory valuation allowance adjustment		-	-	-
	(g) Nonadmitted				-
	(h) Admitted capital deferred tax assets		-	-	-
	(i) Admitted deferred tax assets		43,309	80,327	(37,018)
3. Deferred tax liabilities:					
	(a) Ordinary				
	(1) Advance medical payments		512,400	-	512,400
	(2) Other		1,995	-	1,995
		Subtotal	514,395	-	514,395
	(b) Capital				
	(1) Unrealized gain		-	351	(351)
		Subtotal	-	351	(351)
	(c) Deferred tax liabilities		\$ 514,395	\$ 351	\$ 514,044
4. Net deferred tax assets/liabilities			\$ (471,086)	\$ 79,976	\$ (551,062)

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”). The Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to, (1) reducing the U.S. federal corporate tax rate from 35 percent to 21 percent; (2) eliminating the corporate alternative minimum tax (AMT) and changing how existing AMT credits can be realized; (3) bonus depreciation that will allow for full expensing of qualified property; (4) and changing rules regarding the discounting of property and casualty reserves for tax return purposes.

Notes to Financial Statements

As a result of the Tax Act, the company re-measured its deferred tax inventory at the date of enactment. Illustrated below is the impact of the tax rate change on deferred taxes as a result of the Tax Act. Of the \$551,413 decrease in net deferred income taxes charged to surplus in the current year, \$314,058 was related to the re-measurement. Of the \$351 change in taxes associated with the change in unrealized gains and losses as a charge to surplus, \$0 was related to the re-measurement.

	Deferred Taxes at 35%	Deferred Taxes at 21%	Tax rate impact
Operating Deferred Tax Items	(785,144)	(471,086)	(314,058)
Unrealized Deferred Tax Items	-	-	-
Net Deferred Taxes	(785,144)	(471,086)	(314,058)

The SEC staff issued SAB 118, which provides guidance on accounting for the tax effects of the Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Act for which the accounting under ASC 740 is complete. To the extent that a company’s accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the Tax Act.

The Statutory Accounting Principles (E) Working Group issued INT 18-01: Updated tax Estimates under the Tax Cuts and Jobs Act which provided that year-end 2017 financials should reflect the income tax effects of the Act in which the accounting estimates under SSAP No. 101 are complete. Further, the financials shall recognize impacts for accounting estimates under the Act that may be considered incomplete when a reasonable estimate determinable. Furthermore, consistent with SAB 118, for specific income tax effects of the Act for which a reasonable estimate cannot be determined, reporting entities shall not recognize provisional amounts in the 2017 statutory financial statements. Furthermore, the guidance provided for disclosure for amounts that are incomplete similar to the disclosures required in SAB 118.

Our accounting for the following elements of the Tax Act is incomplete, although we were able to make reasonable estimates of the effects.

Reduction of U.S. federal corporate tax rate: The Act reduces the corporate tax rate to 21 percent, effective January 1, 2018. Consequently, we have recorded an increase related to net DTLs before non-admittance of \$314,058. A corresponding increase to surplus for change in net deferred taxes of \$314,058 was recorded for this amount. We expect to finalize this amount upon completion of the 2017 tax return during the fourth quarter of 2018.

Accident and health reserves: The Act changes the discount rate and payment patterns utilized to discount certain lines of business when computing the allowable tax reserve deduction. No guidance has been issued regarding the appropriate interest rate and appropriate payment patterns to use to revalue the reserves. The company has estimated an updated tax reserve using a 1% increase over the current interest rate resulting in an immaterial increase to the reserve. The Company expects the ultimate adjustment to be immaterial when determined during 2018.

Notes to Financial Statements

D.-Analysis of Actual Income Tax Expense

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	2017	%	2016	%
Provision computed at statutory rate	\$ 620,865	35 %	\$ 1,659,659	35 %
Change in unrealized gains	\$		\$ 351	
Tax Rate Impact-Tax Reform	\$ (314,058)	(18)%	\$	
Other	11,396	1	28,356	1
Total	\$ 318,203	18 %	\$ 1,688,366	36 %
Federal income taxes incurred	\$ (227,317)	(13)%	\$ 1,651,923	35 %
Change in net deferred income taxes	551,413	31	27,341	1
Other	(5,893)		9,102	
Total statutory income taxes	\$ 318,203	18 %	\$ 1,688,366	36 %

E.-At December 31, 2017 and 2016, the Company had no operating loss carryforwards to utilize in future years. The Company did not have any deposits admitted under Internal Revenue Code 6603.

The following is income tax incurred for 2015, 2016 and 2017 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2017	-	-	-
2016	1,650,209	-	1,650,209
2015	-	-	-

F.-The Company is a party to a tax sharing agreement with the parent company, PIC, and the affiliated entities as follows: Paramount Preferred Options (PPO), Paramount Care of Michigan, Inc. (PCM), Paramount Care, Inc. (PCI), Paramount Benefits Agency (PBA), Paramount Insurance Company (PICO), Health Management Solutions (HMS), Health Resources Inc (HRI) and Paramount Preferred Services (PPS). Tax returns are completed on a consolidated basis. However, allocation is based upon separate return calculations with current credit for net losses. The method of allocation between the companies is subject to a written agreement approved by the Board of Directors. Intercompany tax balances are settled through the holding company, PIC.

G.-Accounting for tax contingencies

For the years ended December 31, 2017 and 2016, the Company did not have tax contingencies under the principles of SSAP No. 5, *Liabilities, Contingencies and Impairment of Assets*. This is subject to change but it is not expected to significantly increase in the 12 month period following the balance sheet date. The Company is primarily subject to U.S. federal and various U.S. state and local tax authorities. Tax years subsequent to 2013 remain open to examination by the Internal Revenue Service, and 2012 remains open to other state and local tax authorities. As of December 31, 2017, there are no U.S. federal or state returns under examination.

10. Information Concerning Parent, Subsidiaries and Affiliates

The Company is ultimately controlled by ProMedica Health System, Inc. (“ProMedica”), a nonprofit holding company exempt from federal taxation under Section 501(c)(3) and 509(a)(3) of the Internal Revenue Code. The Company’s affiliates include PICO, PPO, PCI, PBA, HRI and PA. The Company also has many area hospitals as affiliates such as Toledo Hospital, Toledo Children’s Hospital, Flower Hospital, Bay Park Hospital, Emma L. Bixby Hospital, Defiance Hospital, Fostoria Hospital and Herrick Memorial Hospital. ProMedica Physician Group, a group of physicians owned by ProMedica, is also an affiliate of the Company.

Notes to Financial Statements

The Company shares employees, services and assets pursuant to a Management Services Sharing Agreement with PCI. The shared services include member services, sales, accounting, information systems, medical direction and management, claims processing, provider relations and community relations. The cost of shared services is allocated between the Company and PCI based upon the percentage of subscribers at the end of each calendar month. For the years ended December 31, 2017 and 2016 the Company was allocated general administrative expenses of \$464,970 and \$434,951.

ProMedica allocates corporate overhead to all ProMedica entities pursuant to a Cost Allocation Agreement. The Company was allocated \$304,492 and \$308,393 of overhead expense in 2017 and 2016, respectively. The amount is to compensate ProMedica for the services provided to the Company for corporate staff primarily in management, legal services, information services and investment management.

Balances outstanding with affiliated entities at December 31, 2017 and 2016

	2017		2016	
	Due from	Due to	Due from	Due to
Paramount Care Inc	\$ 1,581,353		\$ 1,630,524	
Paramount Insurance Co.	1,619,404			\$ 3,237
Paramount Advantage		310,075		248,713
ProMedica Health System		1,577		1,050
ProMedica Insurance Corp		235,278		203,734
Other	1,804		1,025	
	\$ 3,202,561	\$ 546,930	\$ 1,631,549	\$ 456,734

Claims paid to affiliated entities during fiscal year 2017 and 2016

	2017	2016
Bay Park Community Hospital	\$79,873	\$92,839
Definace Hospital	-	687
Flower Hospital	2,411,086	1,832,997
ProMedica North Region	758,097	557,424
Promedica Physicians Group	1,355,374	1,197,776
ProMedica Continuing Care Services	874,291	409,584
St. Lukes Hospital	-	136,250
The Toledo Hospital	4,189,141	3,668,726
Mercy Memorial	267,286	335,047
Memorial Hospital	-	264
Total	\$9,935,148	\$8,231,594

The Company is a party to a tax sharing agreement with the parent company, PIC, and the affiliated entities as follows: Paramount Preferred Options (PPO), Paramount Care of Michigan, Inc. (PCM), Paramount Care, Inc. (PCI), Paramount Benefits Agency (PBA), Paramount Insurance Company (PICO), Health Management Solutions (HMS) and Paramount Preferred Services (PPS). Tax returns are completed on a consolidated basis. However, allocation is based upon separate return calculations with current credit for net losses. The method of allocation between the companies is subject to a written agreement approved by the Board of Directors. Intercompany tax balances are settled through the holding company, PIC.

Tax payable/receivable amounts to affiliated entities as of 2017 and 2016:

Notes to Financial Statements

	2017	2016
Paramount Care Inc	\$ 5,703,015	\$ (913,946)
Paramount Care of Michigan	695,723	(196,629)
Paramount Benefits Agency	5,107	3,261
Paramount Preferred Options	(24,443)	(16,200)
Paramount Insurance Company	5,799,677	1,280,850
Health Management Solutions	698,370	359,005
Paramount Preferred Solutions	182,542	(69,037)
ProMedica Insurance Corp	(13,059,991)	(447,304)

11. Debt
- NOT APPLICABLE
12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Plans
- NOT APPLICABLE
13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations
- A. The Company has 60,000 shares authorized and 1 share issued and outstanding.
- B. The Company has no preferred stock.
- C. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company’s state of incorporation, Michigan, to earned surplus.
- D. Ordinary dividends of \$2,000,000 were paid to ProMedica Insurance Corp, its parent company, during 2017. No dividends were paid during 2016.
- E. Within the limitations of [C] above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- F. There were no restrictions placed on the Company’s surplus.
- G. The Company did not receive any capital contributions in 2017 or 2016.
- H. There is no stock being held by the Company.
- I. The Company has no special surplus funds.
- J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is (6,384).
- K. The Company has no surplus debentures or other outstanding obligations.
- L. The Company was not involved in a quasi-reorganization during the year.
14. Contingencies
- The Company has been and is currently involved in various governmental investigations, audits, and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments, state attorneys general, the Office of Inspector General (“OIG”), the Office of Personnel Management, the Office of Civil Rights, U.S. Congressional committees, the U.S. Department of Justice, U.S. Attorneys, the SEC, the IRS, the U.S. Department of Labor (“DOL”), the Federal Deposit Insurance Corporation, and other governmental authorities. Examples of audits include the risk adjustment data validation (“RADV”) audits discussed below and a review by the DOL of the Company’s administration of applicable customer employee benefit plans with respect to Employee Retirement Income Security Act of 1974 compliance.

Notes to Financial Statements

Government actions can result in assessment of damages, civil or criminal fines or penalties, or other sanctions, including loss of licensure or exclusion from participation in government programs and could have a material adverse impact on the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

**Risk Adjustment Data Validation Audits (“RADV audits”)** — CMS adjusts capitation payments to Medicare Advantage and Medicare Part D plans according to the predicted health status of each beneficiary, as supported by data provided by health care providers. The Company collects claim and encounter data from providers, who the Company generally relies on to appropriately code their claim submissions and document their medical records. CMS then determines the risk score and payment amount for each enrolled member based on the health care data submitted and member demographic information.

In February 2012, CMS announced a final RADV audit and payment adjustment methodology and that it will conduct RADV audits beginning with the 2011 payment year. These audits involve a review of medical records maintained by care providers and may result in retrospective adjustments to payments made to health plans. CMS has not communicated how the final payment adjustment under its methodology will be implemented. PIC has been selected for audit by CMS for the 2011 payment year. This audit began in 2014. The impact of potential payment adjustments on the Company’s statutory basis financial statement is unknown.

15. Leases

The Company has entered into lease agreements for office space and office equipment. Rental expense charged to operations amounted to \$18,268 and \$18,443 in 2017 and 2016, respectively.

The Company is not party to any capital or leveraged lease agreements, nor is it a lessor.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentration of Risk:

-NOT APPLICABLE

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

-NOT APPLICABLE

18. Gains or Loss from Uninsured A&H Plans and the Uninsured Portion or Partially Insured Plans

-NOT APPLICABLE

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

-NOT APPLICABLE

20. Fair Value Measurements

- A. NOT APPLICABLE
- B. NOT APPLICABLE
- C.



Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Cash equivalents	247,359	247,359	247,359			
Bonds	4,941,546	4,968,916		4,941,546		

D. NOT APPLICABLE

21. Other Items

The Company has no extraordinary items, troubled debt restructuring or other unusual disclosures to make.

22. Subsequent Events

There were no Type I or Type II subsequent events at the time of this filing that would materially alter the financial position of the Company.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1

- 1. None of the reinsurers listed in Schedule S as non-affiliated, are owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee or director of the company.
- 2. None of the policies issued by the company have been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business.

Section 2

- 1. The company does not have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit.
- 2. The company does not have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies.

Section 3

- 1. The aggregate reduction in surplus for termination of all reinsurance agreements, by either party, as of the date of this statement is zero.
- 2. No new agreements have been executed or existing agreements amended since January 1, 2017 to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement.

- B. The Company does not have any uncollectible reinsurance recorded on its books.

Notes to Financial Statements

C. The company had no commutation of reinsurance.

24. Retrospectively Rated Contracts

E. Risk Sharing Provisions of the Affordable Care Act

- 1. PCM is licensed to write insured non-individual accident and health insurance premium that is subject to the Affordable Care Act. During 2017, PCM does not have any groups subject to the Affordable Care Act, therefore there are no premiums or losses subject to the Affordable Care Act during 2017.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2016 were \$1,756,969. As of December 31, 2017, \$1,812,730 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$9,398 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Commercial and Medicare lines of insurance. Therefore, there has been an (\$65,159) unfavorable prior-year development since December 31, 2016 to December 31, 2017. The increase is generally a result of ongoing analysis of recent development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

-NOT APPLICABLE

27. Structured Settlements

-NOT APPLICABLE

28. Health Care Receivables

The Company estimates its pharmaceutical rebate receivables based on historical cash payments.

	Estimated	Pharmacy	Actual Rebates	Actual Rebates	Actual Rebates
	Pharmacy	Rebates	Received	Received	Received More
Quarter	Rebates	as Billed	within 90 days	within 91-180 days	than 180 days
			of billing	of billing	after billing
12/31/2017	196,267	196,267	-	-	-
9/30/2017	164,273	210,355	-	210,355	-
6/30/2017	131,316	220,305	-	220,305	-
3/31/2017	131,316	225,120	-	225,120	-
12/31/2016	133,696	139,789	-	136,382	3,407
9/30/2016	89,059	146,297	-	133,696	12,601
6/30/2016	98,023	173,650	-	136,027	37,623
3/31/2016	184,531	138,792	-	126,837	11,955
12/31/2015	160,419	230,776	-	232,186	(1,410)
9/30/2015	71,303	160,527	-	117,311	43,216
6/30/2015	9,229	115,788	-	71,246	44,542
3/31/2015	34,760	99,673	-	67,829	31,844

29. Participating Policies

-NOT APPLICABLE

30. Premium Deficiency Reserves

Notes to Financial Statements

Liability carried for premium deficiency reserve :	\$0
Date of most recent evaluation of this liability:	1/10/2018
Was anticipated investment income utilized in the calculation?	Yes

31. Anticipated Salvage and Subrogation

The Company did not have any estimated anticipated salvage and subrogation to reduce the liability.

32. Minimum Net Worth

Under the laws of the State of Michigan, the Plan is required to maintain a statutory certificate of deposit based on 5% of the net revenue from risk contracts plus an additional \$100,000 with a maximum of \$1,000,000. This amount is maintained in the cash balance on the asset page and is broken out separately on the schedule of special deposits. The statutory deposit was calculated as follows:

Net earned subscription revenue	\$21,746,806
	<u>X5%</u>
5% of revenue	\$ 1,087,340
 Total required deposit	 \$ 1,000,000
 Actual deposited amount	 \$ 1,000,000

Under the laws of the State of Michigan, the Plan is also required to maintain a working capital amount of greater than \$250,000. The working capital calculation is as follows:

Current Assets	\$6,838,985
Current Liabilities	<u>(\$3,595,252)</u>
Working Capital	\$3,243,733

The company is also expected to maintain a minimum net worth determined by using accounting procedures approved by the commissioner that ensure that a health maintenance organization is financially and actuarially sound. The commissioner takes into account the risk-based capital requirements as developed by the national association of insurance commissioners in order to determine adequate compliance. The company exceeded all required risk-based capital levels.

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[ ] N/A[ ]  
Michigan
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[X] No[ ]
- 2.2 If yes, date of change:

01/24/2017
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2015
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/23/2017
- 3.4 By what department or departments?  
Department of Insurance and Financial Services
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[ ] No[ ] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[ ] N/A[ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business?  
4.12 renewals?

Yes[ ] No[X]  
Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business?  
4.22 renewals?

Yes[ ] No[X]  
Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[ ] No[X]
- 7.2 If yes,  
7.21 State the percentage of foreign control  
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

0.000%

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Plante Moran, 1111 Michigan Ave, Suite 100, East Lansing, MI 48823
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[ ] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes[X] No[ ]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:  
Requirements waived as the Company hasn't reached premium threshold.
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[ ] N/A[ ]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Nathan Baehr FSA, MAA, Senior Consulting Actuary, Wakely, 1515 Wazee St, Suite 380, Denver, CO 80202

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[ ] No[X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved

0
- 12.13 Total book/adjusted carrying value

\$ 0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[ ] No[ ] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year?

Yes[ ] No[ ] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes[ ] No[ ] N/A[X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[ ]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended?

Yes[ ] No[X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[ ] No[X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes[ ] No[X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[ ] No[X]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[ ] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers

\$ 0
- 20.12 To stockholders not officers

\$ 0
- 20.13 Trustees, supreme or grand (Fraternal only)

\$ 0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers

\$ 0
- 20.22 To stockholders not officers

\$ 0
- 20.23 Trustees, supreme or grand (Fraternal only)

\$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[ ] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others

\$ 0
- 21.22 Borrowed from others

\$ 0
- 21.23 Leased from others

\$ 0
- 21.24 Other

\$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[ ] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment

\$ 0
- 22.22 Amount paid as expenses

\$ 0
- 22.23 Other amounts paid

\$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes[X] No[ ]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[ ] No[ ] N/A[X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.

\$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes[ ] No[ ] N/A[X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes[ ] No[ ] N/A[X]

GENERAL INTERROGATORIES (Continued)

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

24.103 Total payable for securities lending reported on the liability page.

\$ 0

Yes[ ] No[ ] N/A[X]

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements

\$ 0

25.22 Subject to reverse repurchase agreements

\$ 0

25.23 Subject to dollar repurchase agreements

\$ 0

25.24 Subject to reverse dollar repurchase agreements

\$ 0

25.25 Placed under option agreements

\$ 0

25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

\$ 0

25.27 FHLB Capital Stock

\$ 0

25.28 On deposit with states

\$ 0

25.29 On deposit with other regulatory bodies

\$ 1,000,000

25.30 Pledged as collateral - excluding collateral pledged to an FHLB

\$ 0

25.31 Pledged as collateral to FHLB - including assets backing funding agreements

\$ 0

25.32 Other

\$ 0

Yes[X] No[ ]

25.3 For category (25.26) provide the following:

1	2	3
Nature of Restriction	Description	Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

If no, attach a description with this statement.

Yes[ ] No[X]  
Yes[ ] No[ ] N/A[X]

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

27.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0

Yes[ ] No[X]

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

Yes[X] No[ ]

1	2
Name of Custodian(s)	Custodian's Address
The Bank of New York Mellon .....	Three Mellon Center, Suite153-3925, Pittsburg, PA .....

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

28.04 If yes, give full and complete information relating thereto:

Yes[ ] No[X]

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [ " that have access to the investment accounts"; " handle securities"]

1	2
Name of Firm or Individual	Affiliation
Income Research & Management .....	..... U .....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

Yes[ ] No[X]

Yes[ ] No[X]

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2  Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4  Registered With	5 Investment Management Agreement (IMA) Filed
104863 .....	Income Research & Management .....	NA .....	SEC .....	DS .....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[ ] No[X]

29.2 If yes, complete the following schedule:

1  CUSIP #	2  Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total .....		.....

29.3 For each mutual fund listed in the table above, complete the following schedule:

1  Name of Mutual Fund (from above table)	2  Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4  Date of Valuation
.....	.....	.....	.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1  Statement (Admitted) Value	2  Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	..... 5,216,275	..... 5,188,905	..... (27,370)
30.2 Preferred stocks .....	.....	.....	.....
30.3 Totals .....	..... 5,216,275	..... 5,188,905	..... (27,370)

30.4 Describe the sources or methods utilized in determining the fair values:

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[ ] No[X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[ ] No[ ] N/A[X]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes[X] No[ ]

32.2 If no, list exceptions:

33. By self-designation 5\*GI securities, the reporting entity is certifying the following elements for each self-designated 5\*GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting-entity self-designated 5\*GI securities?

Yes[ ] No[X]

OTHER

34.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 0

34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

35.1 Amount of payments for legal expenses, if any?

\$..... 1,480

35.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$..... 0

36.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
.....	.....



GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[ ] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$ ..... 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ ..... 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ ..... 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ ..... 0

1.6 Individual policies - Most current three years:

1.61 TOTAL Premium earned

\$ ..... 0

1.62 TOTAL Incurred claims

\$ ..... 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 TOTAL Premium earned

\$ ..... 0

1.65 TOTAL Incurred claims

\$ ..... 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 TOTAL Premium earned

\$ ..... 0

1.72 TOTAL Incurred claims

\$ ..... 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 TOTAL Premium earned

\$ ..... 0

1.75 TOTAL Incurred claims

\$ ..... 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator .....	21,746,806	22,261,781
2.2	Premium Denominator .....	21,746,806	22,261,781
2.3	Premium Ratio (2.1 / 2.2) .....	1.000	1.000
2.4	Reserve Numerator .....	2,263,291	1,737,176
2.5	Reserve Denominator .....	2,263,291	1,737,176
2.6	Reserve Ratio (2.4 / 2.5) .....	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[ ] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[ ] No[X] N/A[ ]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ ..... 615,000

5.32 Medical Only

\$ ..... 0

5.33 Medicare Supplement

\$ ..... 0

5.34 Dental & Vision

\$ ..... 0

5.35 Other Limited Benefit Plan

\$ ..... 0

5.36 Other

\$ ..... 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

The plan has held harmless provisions with network hospitals. The company's reinsurance contract does provide for payment of certain benefits for 30 days following an event of insolvency.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[ ]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 1,700

8.2 Number of providers at end of reporting year

..... 1,798

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[ ] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[ ] No[X]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ ..... 0

10.22 Amount actually paid for year bonuses

\$ ..... 0

10.23 Maximum amount payable withholds

\$ ..... 0

10.24 Amount actually paid for year withholds

\$ ..... 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[ ] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[ ] No[X]

11.14 A Mixed Model (combination of above)?

Yes[X] No[ ]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes[X] No[ ]

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

Michigan

11.4 If yes, show the amount required.

\$ ..... 2,523,102

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[ ] No[X]

11.6 If the amount is calculated, show the calculation.

200% of RBC

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Lenewee .....
Monroe .....

13.1 Do you act as a custodian for health savings accounts?

Yes[ ] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ ..... 0

13.3 Do you act as an administrator for health savings accounts?

Yes[ ] No[X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$ ..... 0

GENERAL INTERROGATORIES (Continued)

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers?

14.2 If the answer to 14.1 is yes, please provide the following:

Yes[ ] No[ ] N/A[X]

1  Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)

15.1 Direct Premium Written

15.2 Total incurred claims

15.2 Number of covered lives

\$

\$

0

0

0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

FIVE-YEAR HISTORICAL DATA

	1 2017	2 2016	3 2015	4 2014	5 2013
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	15,247,901	14,940,988	11,082,593	10,511,144	10,796,493
2. TOTAL Liabilities (Page 3, Line 24) .....	4,066,338	3,241,648	2,538,598	3,280,612	3,273,146
3. Statutory minimum capital and surplus requirement .....	2,523,102	2,161,084	2,268,512	2,148,652	3,095,336
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	11,181,563	11,699,340	8,543,995	7,230,532	7,523,347
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	21,746,806	22,261,781	18,736,026	16,849,975	23,094,066
6. TOTAL Medical and Hospital Expenses (Line 18) .....	19,091,044	16,345,193	17,110,753	16,169,868	22,165,528
7. Claims adjustment expenses (Line 20) .....	187,744	165,423	153,713	119,168	228,847
8. TOTAL Administrative Expenses (Line 21) .....	748,657	1,018,482	847,452	706,997	1,501,934
9. Net underwriting gain (loss) (Line 24) .....	1,719,361	4,732,683	1,464,108	(376,058)	(378,243)
10. Net investment gain (loss) (Line 27) .....	60,430	10,914	588	1,032	2,624
11. TOTAL Other Income (Lines 28 plus 29) .....				913	71
12. Net income or (loss) (Line 32) .....	2,007,110	3,080,858	1,246,970	(271,186)	(2,409)
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	1,849,772	3,425,386	(466,399)	(69,163)	(1,754,892)
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	11,181,563	11,699,340	8,543,995	7,230,532	7,523,347
15. Authorized control level risk-based capital .....	1,261,551	1,079,725	1,134,256	1,074,326	1,547,668
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	1,986	1,912	1,754	1,660	1,823
17. TOTAL Members Months (Column 6, Line 7) .....	23,750	22,783	21,272	20,299	38,016
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....	87.8	73.4	91.3	96.0	96.0
20. Cost containment expenses .....	0.7	0.6	0.7	0.5	0.7
21. Other claims adjustment expenses .....	0.2	0.1	0.1	0.2	0.2
22. TOTAL Underwriting Deductions (Line 23) .....	92.1	78.7	92.2	102.2	101.6
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	7.9	21.3	7.8	(2.2)	(1.6)
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	1,795,579	1,026,057	1,600,340	1,967,695	2,755,868
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	1,575,039	1,572,904	1,582,528	1,824,598	3,269,270
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. TOTAL of Above Lines 26 to 31 .....					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above .....					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors? Yes[ ] No[ ] N/A[X]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	L		21,769,606					21,769,606	
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X		21,769,606					21,769,606	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a) 1		21,769,606					21,769,606	

DETAILS OF WRITE-INS										
58001.	X X X									
58002.	X X X									
58003.	X X X									
58998.Summary of remaining write-ins for Line 58 from overflow page	X X X									
58999.TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X									

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien. Explanation of basis of allocation by state, premiums by state, etc.: All individual policies are allocated based on residency which is in Michigan. Group policies are allocated based on the employment location. All groups are employed in Michigan.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART  
ORGANIZATION CHART

Paramount Care of Michigan is ultimately controlled by ProMedica Health System, Inc., (“ProMedica”), a nonprofit holding company exempt from federal taxation under Section 501(c)(3) and 509(a)(3) of the Internal Revenue Code. The following coding system is used to show the interrelationships among the various members of the insurance holding company system:

- | A circle means that ProMedica is the sole member/parent of the entity.
- ⊍ Each entity marked with a diamond is a subsidiary of the entity listed directly above and denoted with a circle.
- ⊎ Each entity marked with a square is a subsidiary of the entity listed directly above and marked with a diamond.
- Ø Each entity marked with an arrow is a member of the insurance holding company system.

The following list depicts the identities and interrelationships of affiliated persons within the insurance holding company system:

- | ProMedica Foundation, an Ohio nonprofit corporation, of which Bay Park Community Hospital Foundation, Toledo Hospital Foundation, Toledo Children’s Hospital Foundation, Flower Foundation, Defiance Foundation, Fostoria Community Hospital Foundation, ProMedica Physicians & Continuum Services Foundation f/k/a ProMedica Continuing Care Services Corporation Foundation, Bixby Hospital Foundation, Herrick Hospital Foundation, and Memorial Hospital Foundation are divisions.
  - ⊍ Mission Pointe Golf Course, LLC, a Michigan limited liability company, with ProMedica Foundation d/b/a Herrick Hospital Foundation as its sole member.
- | ProMedica Health Network, Inc., an Ohio for profit corporation, with ProMedica Health System, Inc. as the sole shareholder.
- | Fostoria Hospital Association, an Ohio nonprofit corporation.
- | ProMedica Continuum Services f/k/a ProMedica Physicians and Continuum Services f/k/a ProMedica Physician Corporation f/k/a ProMedica Physicians Enterprises, an Ohio nonprofit corporation.
  - ⊍ ProMedica Continuing Care Services Corporation f/k/a Crestview of Ohio, Inc., an Ohio nonprofit corporation.
  - ⊍ Toledo District Nurse Association, an Ohio nonprofit corporation.
  - ⊍ Visiting Nurse Hospice and Health Care, an Ohio nonprofit corporation.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

- └ ProMedica Retail Group, Inc., f/k/a The Flower Market, Inc., an Ohio for-profit corporation.
- └ ProMedica Courier Services, Inc., an Ohio nonprofit corporation.
- └ Erie West Hospice and Palliative Care, Ltd., an Ohio limited liability company.
- └ HCRMC- ProMedica JV, LLC, dba Heartland at ProMedica Flower Hospital, a Delaware limited liability company in which ProMedica Continuum Services f/k/a ProMedica Physicians & Continuum Services holds 10% ownership interest and ManorCare Health Services of Toledo OH, LLC holding the remaining 90% interest.
- └ Lifestream, LLC, an Ohio limited liability company which ProMedica Continuum Services f/k/a ProMedica Physicians & Continuum Services holds 50% ownership interest and Harbor holding the remaining 50% interest.
- └ The Surgical Institute of Monroe Ambulatory Surgery Center, LLC, a Michigan limited liability company which ProMedica Continuum Service f/k/a ProMedica Physicians & Continuum Services holds 54% ownership interest and various physicians holding the remaining 46% interest.
- | ProMedica Physician Group, Inc., an Ohio non-profit corporation.
  - └ The Pharmacy Counter, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - └ ProMedica Central Corporation of Michigan, a Michigan nonprofit corporation and a wholly-owned subsidiary of ProMedica Physician Group, Inc.
  - └ ProMedica Central Physicians, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - └ ProMedica North Physicians Corporation, a Michigan nonprofit stock corporation and a wholly-owned subsidiary of ProMedica Physician Group, Inc.
  - └ Midwest Cardiovascular Consultants, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - └ ProMedica Northwest Ohio Cardiology Consultants, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - └ ProMedica Monroe Cardiology, PLLC, a Michigan limited liability company with ProMedica Physician Group, Inc., as its sole member.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

- ⌞ ProMedica Physician Management Services, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ⌞ ProMedica Surgical Services, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ⌞ ProMedica Monroe Physicians, PLLC, a Michigan limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ⌞ ProMedica Multi Specialty Physicians, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ⌞ ProMedica Genito-Urinary Surgeons, LLC, an Ohio limited liability company with ProMedica Physicians Group, Inc., as its sole member.
- ⌞ ProMedica Hospitalists, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ⌞ ProMedica Hospitalists, PLLC, a Michigan limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ⌞ Memorial Professional Services, Ltd., and Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ⌞ Memorial Anesthesia, Ltd., an Ohio limited liability company with ProMedica Physicians Group, Inc., as its sole member.

ProMedica Indemnity Corporation, a Vermont corporation.

- └ ProMedica Insurance Corporation f/k/a ProMedica Health Ventures Corporation f/k/a Vanguard Health Ventures, Inc., an Ohio nonprofit corporation.
  - ⌞ Paramount Preferred Options, Inc., an Ohio for-profit corporation, which is wholly-owned by ProMedica Insurance Corporation.
    - ┐ Health Management Solutions, Inc., an Ohio for-profit corporation which is wholly-owned by Paramount Preferred Options.
    - ┐ Paramount Preferred Solutions, Inc., an Ohio for-profit corporation which is wholly-owned by Paramount Preferred Options
  - ⌞ NAIC 95189-Paramount Care, Inc., an Ohio nonprofit health-insuring corporation with ProMedica Insurance Corporation as its sole member.
  - ⌞ Paramount Benefits Agency, Inc., an Ohio for-profit corporation and a wholly owned subsidiary of ProMedica Insurance Corporation.
  - ⌞ NAIC 95566-Paramount Care of Michigan, Inc., a Michigan nonprofit corporation with ProMedica Insurance Corporation as its sole shareholder.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

- └ NAIC 11518-Paramount Insurance Company f/k/a ProMedica Life Insurance Company, a for-profit corporation and a wholly owned subsidiary of ProMedica Insurance Corporation.
- └ NAIC 12353-Paramount Advantage, an Ohio nonprofit corporation with ProMedica Insurance Corporation as its sole member.
- └ NAIC 96687-Health Resources, Inc. f/k/a HRI Intermediate Holdings Corporation f/k/a HRI Holdings Corporation, an Indiana corporation.
- | Bay Park Community Hospital, an Ohio nonprofit corporation.
- | Defiance Hospital, Inc., an Ohio nonprofit corporation.
  - └ Kaitlyn’s Cottage, Inc., an Ohio nonprofit corporation with Defiance Hospital, Inc., as its sole member.
- | Emma L. Bixby Medical Center, a Michigan nonprofit corporation ProMedica Health System, Inc. as its sole member.
  - └ Lenawee Long Term Care Corporation, a Michigan nonprofit corporation with Emma L. Bixby Medical Center as its sole member.
  - └ Herrick Memorial Development Corporation, a Michigan for-profit corporation and a wholly owned subsidiary of Emma L. Bixby Medical Center.
    - ┐ Herrick Memorial Office Plaza Condominium Association, a Michigan nonprofit corporation in which Herrick Memorial Development Corporation holds 71.8% ownership interest with various physicians having the remaining 28.2% interest.
  - └ Lenawee Clinical Partners is a Michigan nonprofit corporation in which Emma L. Bixby Medical Center holds 50% ownership interest with various physicians holding the remaining 50% interest.
  - └ Wolf Creek Associates, LLC, a Michigan limited liability company with Emma L. Bixby Medical Center as its sole member.
- Herrick Memorial Hospital, Inc., a Michigan nonprofit corporation with ProMedica Health System, Inc. as its sole member.
- | The Toledo Hospital, an Ohio nonprofit corporation, of which Toledo Children’s Hospital f/k/a ProMedica Children’s Medical Center of Northwest Ohio and ProMedica Wildwood Orthopaedic and Spine Hospital are divisions.
  - └ Reynolds Road Surgery Center, LLC, an Ohio limited liability company in which The Toledo Hospital holds 62.66% ownership interest, with various physicians holding a remaining 37.34% interest.



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

- └ Northwest Ohio Dedicated Breast MRI, LLC, an Ohio limited liability company in which The Toledo Hospital holds 50% ownership interest with TRA Investment Club, LLC, holding the remaining 50% interest.
- └ Arrowhead Behavioral Health, LLC, a Delaware limited liability company in which The Toledo Hospital holds 30% ownership interest and Toledo Holding Company, LLC, holding a remaining 70% interest.
- └ West Central Surgical Center, LLC, an Ohio limited liability company of which The Toledo Hospital holds 50% ownership interest and various physicians holding the remaining 50% interest.
- | Flower Hospital, an Ohio nonprofit corporation.
- | PHS Ventures, LLC f/k/a/ PHS Ventures, Inc., f/k/a BVPH Ventures, Inc., a Vermont LLC with ProMedica Health System, Inc., as its sole member.
- | Memorial Hospital, an Ohio nonprofit corporation.
  - └ Fremont Hospital/Physician Organization d/b/a Cooperative Care, an Ohio for-profit corporation of which Memorial Hospital holds 50% ownership interest and various other physicians hold the remaining 50% interest.
    - ┐ Sandusky County Medical Specialists, LLC, and Ohio limited liability company of which Fremont Hospital/Physician Organizations holds 100% ownership interest.
  - └ East-West Holding, Ltd., and Ohio limited liability company of which Memorial Hospital holds 50% ownership interest with The Bellevue Hospital, an Ohio nonprofit corporation holding the remaining 50% interest.
- | Mercy Memorial Hospital Corporation, a Michigan nonprofit corporation d/b/a ProMedica Monroe Regional Hospital.
  - └ Monroe Community Health Services, a Michigan nonprofit corporation.
  - └ Monroe Health Ventures, Inc., a Michigan for-profit corporation.
  - └ Mercy Memorial Surgical Co-Management Company, LLC, a Michigan limited liability company of which Monroe Regional Hospital holds a 50% ownership interest and various other physicians hold the remaining 50% interest.
- | 300 Madison Building, LLC, an Ohio limited liability company.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

- | ProMedica Active Mobility, LLC, an Ohio limited liability company.
- | ProMedica Downton Campus Landlord, LLC, an Ohio limited liability company.
- | ProMedica International, LLC, an Ohio limited liability company.
- | ProMedica Manager Member, LLC, an Ohio limited liability company.
- | ProMedica Master Tenant, LLC, an Ohio limited liability company

Other Affiliated Entities

- Ø Lima Memorial Joint Operating Company, an Ohio nonprofit corporation, in which Lima Memorial Hospital, an Ohio nonprofit corporation and PHS Ventures, LLC, each hold 50% ownership interest.
- Ø ProMedica Orthopedic Co-Management Company, LLC, an Ohio limited liability company is which The Toledo Hospital, Bay Park Community Hospital, and Flower Hospital share 40% ownership interest with various physicians holding the remaining 60% interest.
- Ø ProMedica Cardiovascular Co-Management Company, LLC, an Ohio limited liability company in which The Toledo Hospital, Bay Park Community Hospital, and Flower Hospital share 38.4% ownership interest with various physicians holding the remaining 61.6% interest.
- Ø Interactive Physical Therapy, an Ohio limited liability company in which ProMedica Health System, Inc., holds 50% ownership interest and various individuals holding the remaining 50% interest.
- Ø ProMedica Surgical Services Co-Management Company, LLC, an Ohio limited liability company in which The Toledo Hospital, Bay Park Community Hospital, and Flower Hospital share 50% ownership interest with various physicians holding the remaining 50% interest.
- Ø Monroe Community Ambulance, a Michigan nonprofit corporation in which ProMedica Continuing Care Services Corporation holds 25% ownership interest, Monroe Regional Hospital holds 25% interest, and various other corporations hold the remaining 50% interest.
- Ø Kapios, LLC, an Ohio limited liability company in which ProMedica Health System, Inc. holds 50% ownership interest and Kaonsoft, Inc. holds the remaining interest

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
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Ø APM Plus, LLC a Delaware limited liability company in which ProMedica Health System, Inc. holds 40% ownership interest and Strategic Health System holds the remaining interest.

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